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Despite More Than One Million Consumer Protection Violations, University of Arizona Global Campus Allowed to Resume Use of GI Bill

Non-profit Student Veterans Advocate Calls on VA to Look More Closely at School with “Long-standing History of Fraud and Deception”

Washington DC - April 26, 2022 -- Today, veterans advocates from non-profit [Veterans Education Success](#) expressed concern over the announcement from the U.S. Department of Veterans Affairs (VA) that the Arizona State Approving Agency (SAA) had approved the application of the University of Arizona Global Campus (UAGC) to receive VA education benefits; UAGC was formerly known as Ashford University, a school with a long-standing history of fraud and deception.

Given the California superior court [judgment](#) that Ashford was guilty of committing **more than one million violations of consumer protection law**, Veterans Education Success is troubled that the school will continue to receive taxpayer funds without a review of the legal concerns.

“With a court finding that the school’s operator repeatedly violated the law, this company should not be allowed to continue taking veterans’ and service members’ hard earned GI Bill dollars without a careful review,” said **Will Hubbard, Vice President of Veterans Education Success**. “We call on the Arizona State approving agency to conduct a risk-based survey in accordance with the Isakson-Roe law unanimously passed by Congress last year.”

Many current student veterans at UAGC have reached out to Veterans Education Success for help, as they had serious concerns about whether they would be able to continue attending after the California State Approving Agency withdrew UAGC’s GI Bill eligibility. These veterans told Veterans Education Success they had experienced much of the same misrepresentations that Ashford and Zovio were found guilty of committing.

One student expressed his concerns to counselors when enrolling in UAGC in Fall 2021 and school officials reassured the student that there wouldn’t be any issues. The student told Veterans Education Success, “why would I want to stay in a school that didn’t divulge this important information?”

To date, Veterans Education Success has received approximately 145 [complaints](#) from student veterans about Ashford University and UAGC, in addition to hearing from several key [whistleblowers](#) at the company, and delivered most of these complaints to the California Attorney General for its recent case against the company.

BACKGROUND

After [initially](#) losing GI Bill eligibility from the Iowa SAA in 2016, Ashford gained approval from the Arizona SAA in 2017 by [claiming](#) a rented office space was Ashford University’s “main campus” even though the space was often dark, ostensibly housed a small number of employees, and offered no classes. VA reversed this approval and informed Ashford it had to seek approval in California, which it finally received in February 2020 even though it was facing the California Attorney General’s lawsuit, which led to the court’s 2022 finding of fraud.

Following [years](#) of enforcement actions by the Iowa Attorney General and the Consumer Financial Protection Bureau for defrauding students, the California Attorney General’s 2017 lawsuit finally went to trial, resulting in a March 3, 2022, [judicial finding](#) of guilt.

Knowing it needed to find another host state, Zovio, the owner of Ashford University, contracted

with the University of Arizona in late 2020 to rebrand Ashford University as UAGC in a financial arrangement in which Zovio continues to manage all operations, including instruction, marketing, and recruiting – the same services that the California court found to be fraudulent at Ashford University.

The school decided to prematurely surrender its California license to operate, before an eligibility determination by the Arizona SAA. This resulted in UAGC’s losing its eligibility for GI Bill funds effective on March 30th, and left thousands of students wondering what comes next.

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ADDITIONAL BACKGROUND ON ASHFORD | UAGC| ZOVIO

- UAGC currently enrolls roughly [28,000 students](#) – approximately 3,000 GI Bill beneficiaries and almost 11,000 students using military Tuition Assistance from the U.S. Department of Defense (DoD).
- These enrollments resulted in fiscal year 2020 **VA payments of more than \$31 million to Ashford in fiscal year 2020 before it was acquired by UAGC**, according to [VA’s GI Bill Comparison Tool](#) data, and **more than \$26 million in DoD Tuition Assistance revenue**, according to [DoD’s TA DECIDE](#) (the data for both tools is hyperlinked in the bottom left corner of each respective webpage).

STUDENT OUTCOMES COMPARISON FROM THE U.S. DEPARTMENT OF EDUCATION’S COLLEGE SCORECARD

	Ashford University (UAGC)	University of Arizona
Return to School Full-Time after Year 1	24%	82%
Graduate Within 8 Years	22%	63%
Withdraw After 8 Years	47%	9%
Transfer After 8 Years	31%	28%

FACT SHEET: OVERVIEW OF UAGC’S ACTIONS – COURT DECISION IN MARCH 2022

The San Diego Superior Court issued a 47-page [decision](#) on March 3, 2022, against Zovio (the company that contracts with the University of Arizona to run UAGC) and Ashford University for violating the California Unfair Competition Law and the California False Advertising Law. The Court found:

- Students were misled about their ability to obtain careers that require licensure after graduating from Ashford, such as teaching, nursing, and social work. For instance, students were falsely promised that their degree would allow them to become teachers, but, in fact, Ashford degrees do not qualify its graduates to obtain the necessary license for most teaching positions. (Order pp. 17-20)
- Students were lied to about the cost of their degrees and the true amount of financial aid available to pay for the tuition, and it downplayed the amount of debt students would be taking out. (Order pp. 20-24)

- Students were deceived about the true pace and time commitment of Ashford's degrees compared to other colleges. Admissions staff routinely described the programs as "accelerated," which the school admitted was inaccurate. (Order pp. 24-25)
- Students were lied to about their ability to transfer credits into and out of Ashford and "knew it was misleading to promise or imply credit would transfer." For example, the court found that "admissions counselors routinely made inaccurate promises that students' prior credits or life experience would transfer before the student received an accurate evaluation from the school." (Order pp. 25-26)

The company's own internal audits had found thousands of deceptions with no measures in place to stop such deceptions.

- The court found that the school "did not take serious action to prevent or remedy the extensive deception their compliance program identified" (Order p. 37) and created a high pressure admissions department whose north star was enrollment numbers." (Order p. 10)
- The school expected its admissions counselors (**the same employees now working for UAGC**) "to call hundreds of leads a day," and "closing the sale was prioritized above providing students with accurate information." (Order p. 10-11)
- The testimony at trial made clear that "the pressure to meet their enrollment numbers, the instructions of their managers, and guidance from high performers on their teams all led [employees] to deceive students to overcome objections and promote enrollment." (Order p. 12).
- The court estimated that the school made one million misleading phone calls.
- The company [delayed](#) its required filings with the Securities and Exchange Commission and [delayed](#) its quarterly earnings call. Such delays are typically viewed as indications of financial risk. California state officials have expressed concern that UAGC may not be able to pay the \$22.4 million fine imposed by the court judgment.

About Veterans Education Success

Veterans Education Success is a nonpartisan organization whose mission is to advance higher education success for veterans, service members, and military families, and to protect the integrity and promise of the GI Bill and other federal education programs. The organization offers free help, advice, and college and career counseling to servicemembers, veterans, and their survivors and families using federal education benefits, and helps them participate in their democracy by engaging with policymakers. Veterans Education Success also provides policy expertise to federal and state policymakers, and conducts non-partisan research on issues of concern to student veterans. Additional information is available at www.vetsedsuccess.org.